

AMY J. GREER  
SCOTT A. THOMPSON  
TAMI S. STARK (TS-8321)  
Attorneys for Plaintiff  
SECURITIES AND EXCHANGE COMMISSION  
701 Market Street  
Suite 2000  
Philadelphia, PA 19106  
Telephone: (215) 597-3100  
Telefax: (215) 597-2740

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

V.

Civ No. 08CV0415 (LBS)

ANATOLY RUSS,

Defendant.

**AFFIDAVIT OF SERVICE OF SCOTT A. THOMPSON**

I, Scott A. Thompson, hereby declare as follows:

1. I am employed as a Senior Trial Counsel in the Division of Enforcement of the United States Securities and Exchange Commission (the “Commission”). My primary duties include representing the Commission in federal court actions brought by it to enforce the federal securities laws, and representing the Division of Enforcement in administrative proceedings authorized by the Commission.

2. In connection with my duties as Senior Trial Counsel, I am one of the attorneys assigned to represent the Commission in the above-captioned matter.

3. On January 16, 2008, the Commission filed a Complaint in which the Commission charges defendant Anatoly Russ with violations of the antifraud provisions of the federal securities laws.

4. That same day, the Commission issued a "Litigation Release" detailing the allegations of the Complaint. This Litigation Release (No. 20430), together with the Commission's Complaint filed in this action, is also available on the Commission's website, [www.sec.gov](http://www.sec.gov). See <http://www.sec.gov/litigation/litreleases/2008/lr20430.htm>.

5. Several online news sources, including at least two Russian news websites, [www.kommersant.com](http://www.kommersant.com), and [www.themoscowtimes.com](http://www.themoscowtimes.com), as well as MSNBC, Business Week, and Yahoo, also published online articles about the filing of the Complaint. See, e.g., [http://www.kommersant.com/p-11944/Russ\\_SEC\\_fraud/](http://www.kommersant.com/p-11944/Russ_SEC_fraud/) (Kommersant); <http://www.themoscowtimes.com/stories/2008/01/18/061.html> (Moscow Times); <http://www.msnbc.msn.com/id/22689228/> (MSNBC); <http://www.businessweek.com/ap/financialnews/D8U78KL80.htm> (Business Week); [http://biz.yahoo.com/ap/080116/sec\\_russian\\_trader.html?v=1](http://biz.yahoo.com/ap/080116/sec_russian_trader.html?v=1) (Yahoo).

6. Shortly thereafter, on January 23, 2008, the Commission directly notified Russ of the pending litigation by sending him a copy of the Complaint via email. The Commission's investigation revealed an email address that Russ had used to set up each of the online brokerage accounts he used in perpetrating the fraud described in the Complaint, to send various emails to brokers to inquire as to the status of his accounts, and to follow up on his attempts to wire his ill-gotten gains to his Latvian bank account. The investigation also showed that Russ requested to, and actually did, receive communications from at least some of his brokers at this same email address.

7. After Russ' fraudulent conduct was discovered, and his brokers froze his accounts, email communications sent by at least one broker to Russ began "bouncing back." At the time, this suggested that Russ either had deactivated his account or was using a filter to prevent emails from that broker from reaching him.

8. It now appears that Russ' email account remains active. The January 23, 2008 email to Russ sending him a copy of the Commission's Complaint and notifying him of this action has not "bounced back" or otherwise been returned.

9. In addition to determining Russ' email address, as a result of the investigation, the Commission also identified three mailing addresses that Russ had provided to his online brokers, as well as a mailing address he had provided to the Latvian bank to which he wired the proceeds of his fraudulent trading. Two of the addresses are post office boxes in St. Petersburg, Russia, and two appear to be regular street addresses. The most reliable address (other than the email address) appeared to be the mailing address Russ gave to the Latvian bank where Russ deposited his illegal proceeds, as that address is in the same small town listed on Russ' passport (Novaya Ladoga), located about 80 miles from St. Petersburg.

10. On February 4, 2008, the Commission filed an Ex Parte Motion to Serve Defendant Anatoly Russ by Alternative Means, because Russ is a resident of Russia.

11. The Court granted the Commission's motion on February 5, 2008, allowing the Commission 60 days to effect service by email, international courier (to the two street addresses used by Russ) and international registered mail (to the two post office box addresses used by Russ).

12. On February 7, 2008, the Commission sent copies of the Summons and Complaint, along with the Court's February 5, 2008 Order by international courier (Federal Express tracking numbers 790933877956 and 799797917599) and international registered mail (USPS tracking numbers RB784617893US and RB784617902US) to the addresses listed in the Order.

13. On February 11, 2008, the Commission also sent an email to Russ attaching the Summons and Court's Order, and intending to attach a copy of the Complaint. However, due to a clerical error, the proper Complaint was not attached to the email. The email did not bounce back.

14. On February 20, 2008, upon discovering the prior clerical error, the Commission sent another email to Russ. That email properly attached the Complaint, Summons, and a copy of the Court's February 5, 2008 Order. The email also did not bounce back.

15. On March 4, 2008, the packages sent to Russ by international registered mail were returned to the Commission with a label marked as "Inconnu," meaning "unknown." The Commission has not been able to determine more information about why the packages were returned.

16. On March 4, 2008 one of the Federal Express packages was also returned as undeliverable, without further explanation (tracking number 799797917599). On March 14, the other Federal Express package (tracking number 790933877956) was returned as undeliverable and designated "incorrect address." The Commission has not been able to determine more information about why the packages were returned.

17. Because the Court's February 5, 2008 Order deemed service effective if attempts to send the Complaint and Summons by mail or courier were successful, or if the email attaching the Complaint and Summons did not bounce back, and because the email has not bounced back, service has been effected on Mr. Russ in accordance with this Court's Order.

I make this declaration pursuant to 18 U.S.C. § 1746 and declare under penalty of perjury that the foregoing is true and correct to the best of my personal knowledge, information, and belief.

  
\_\_\_\_\_  
Scott A. Thompson

Attorney for Plaintiff:

**SECURITIES AND EXCHANGE  
COMMISSION**

Mellon Independence Center  
701 Market Street, Suite 2000  
Philadelphia, PA 19106  
Telephone: (215) 597-3100  
Facsimile: (215) 597-2740

Dated: March 26, 2008